

Company Registration No. 05693397 (England and Wales)

**MONMOUTH COFFEE COMPANY LIMITED**

**UNAUDITED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
1 APRIL 2018**

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**MONMOUTH COFFEE COMPANY LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 1 APRIL 2018**

	Notes	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	3	-	-
Tangible assets	4	1,430,919	501,032
Investments	5	8,333	8,333
		<u>1,439,252</u>	<u>509,365</u>
<b>Current assets</b>			
Stocks		1,126,990	1,019,185
Debtors falling due after more than one year	6	1,264,037	1,065,083
Debtors falling due within one year	6	694,576	855,502
Investments	7	-	1,000,000
Cash at bank and in hand		568,987	670,962
		<u>3,654,590</u>	<u>4,610,732</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>(744,418)</u>	<u>(805,820)</u>
<b>Net current assets</b>		<u>2,910,172</u>	<u>3,804,912</u>
<b>Total assets less current liabilities</b>		<u>4,349,424</u>	<u>4,314,277</u>
<b>Creditors: amounts falling due after more than one year</b>	9	(1,622,809)	(1,632,465)
<b>Provisions for liabilities</b>		<u>(99,852)</u>	<u>(65,651)</u>
<b>Net assets</b>		<u>2,626,763</u>	<u>2,616,161</u>
<b>Capital and reserves</b>			
Called up share capital	11	1	1
Profit and loss reserves		<u>2,626,762</u>	<u>2,616,160</u>
<b>Total equity</b>		<u>2,626,763</u>	<u>2,616,161</u>

# MONMOUTH COFFEE COMPANY LIMITED

## STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 1 APRIL 2018

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial period ended 1 April 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 8 October 2018 and are signed on its behalf by:

  
A J Le Roy  
Director

# MONMOUTH COFFEE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 APRIL 2018

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### 1 Accounting policies

#### Company information

Monmouth Coffee Company Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Arch 3 Discovery Estate, St James's Road, London, SE16 4RA.

#### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

#### Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings leasehold	Straight line over 5 years and straight line over 10 years
Plant and machinery	Straight line over 2-20 years
Motor vehicles	33% on reducing balance

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### Fixed asset investments

Interests in associates are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

# MONMOUTH COFFEE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 APRIL 2018

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### 1 Accounting policies (Continued)

#### Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

#### Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

Deposits held at call with banks are classified as short term investments and are included in current assets.

#### Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets are classified into specific categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

# MONMOUTH COFFEE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 APRIL 2018

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### 1 Accounting policies (Continued)

#### **Basic financial assets**

Basic financial assets, which include trade and other debtors and loans to associated companies, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

#### **Other financial assets**

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the income statement in finance costs or finance income as appropriate.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

#### **Other financial liabilities**

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate.

# MONMOUTH COFFEE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 APRIL 2018

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### 1 Accounting policies (Continued)

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

#### ***Equity instruments***

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### ***Taxation***

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the period. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

#### ***Retirement benefits***

The company operates a defined contribution scheme for the benefit of its employees. The amount charged to the statement of comprehensive income is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

#### ***Leases***

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

# MONMOUTH COFFEE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 APRIL 2018

### 1 Accounting policies (Continued)

#### Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the period was 73 (2017 - 71).

### 3 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 3 April 2017 and 1 April 2018	300,000
<b>Amortisation and impairment</b>	
At 3 April 2017 and 1 April 2018	300,000
<b>Carrying amount</b>	
At 1 April 2018	-
At 2 April 2017	-

# MONMOUTH COFFEE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 APRIL 2018

### 4 Tangible fixed assets

	Land and buildings leasehold £	Plant and machinery etc £	Total £
<b>Cost</b>			
At 3 April 2017	452,244	925,964	1,378,208
Additions	865,119	217,460	1,082,579
Disposals	(331,606)	(434,287)	(765,893)
At 1 April 2018	985,757	709,137	1,694,894
<b>Depreciation and impairment</b>			
At 3 April 2017	339,038	538,138	877,176
Depreciation charged in the period	36,270	68,686	104,956
Eliminated in respect of disposals	(328,699)	(389,458)	(718,157)
At 1 April 2018	46,609	217,366	263,975
<b>Carrying amount</b>			
At 1 April 2018	939,148	491,771	1,430,919
At 2 April 2017	113,206	387,826	501,032

### 5 Fixed asset investments

	2018 £	2017 £
Investments in associates	8,333	8,333

#### Movements in fixed asset investments

	Investments in associates £
<b>Cost or valuation</b>	
At 3 April 2017 & 1 April 2018	8,333
<b>Carrying amount</b>	
At 1 April 2018	8,333
At 2 April 2017	8,333

# MONMOUTH COFFEE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 APRIL 2018

### 6 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	138,128	119,529
Corporation tax recoverable	128,524	76,634
Amounts owed by associated undertakings	123,868	78,119
Other debtors	304,056	581,220
	<u>694,576</u>	<u>855,502</u>
Amounts falling due after more than one year:		
Amounts owed by associated undertakings	<u>1,264,037</u>	<u>1,065,083</u>
<b>Total debtors</b>	<u><b>1,958,613</b></u>	<u><b>1,920,585</b></u>

Other debtors for 2017 includes financial instruments at fair value through the profit or loss as more fully described in the financial instruments note.

### 7 Current asset investments

	2018 £	2017 £
Short term deposits	<u>-</u>	<u>1,000,000</u>

### 8 Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans and overdrafts	314,739	291,393
Obligations under hire purchase agreements	35,903	34,194
Trade creditors	51,768	155,423
Corporation tax	112,905	141,191
Other taxation and social security	101,194	67,471
Other creditors	127,909	116,148
	<u>744,418</u>	<u>805,820</u>

Other creditors for 2018 includes financial instruments at fair value through the profit or loss as more fully described in the financial instruments note.

Obligations under hire purchase agreements are secured on the assets to which they relate.

# MONMOUTH COFFEE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 APRIL 2018

### 9 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Bank loans and overdrafts	1,588,396	1,562,149
Obligations under hire purchase agreements	34,413	70,316
	<u>1,622,809</u>	<u>1,632,465</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>242,121</u>	<u>369,095</u>
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The company's borrowings are secured by a fixed and floating charge over the assets, in favour of Lloyds Bank Plc.

Obligations under hire purchase agreements are secured on the assets to which they relate.

### 10 Financial instruments

	2018 £	2017 £
<b>Carrying amount of financial assets</b>		
Instruments measured at fair value through profit or loss	-	6,471
	<u>-</u>	<u>6,471</u>
<b>Carrying amount of financial liabilities</b>		
Measured at fair value through profit or loss		
- Other financial liabilities	2,294	-
	<u>2,294</u>	<u>-</u>

### 11 Called up share capital

	2018 £	2017 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
90 Ordinary A of 1p each	0.90	0.90
10 Ordinary B of 1p each	0.10	0.10
	<u>1</u>	<u>1</u>

# MONMOUTH COFFEE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 APRIL 2018

### 12 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £	2017 £
Within one year	260,787	59,590
Between one and five years	1,001,686	312,000
In over five years	-	1,224,002
	<u>1,262,473</u>	<u>1,595,592</u>

### 13 Directors' transactions

A director of the company was granted a loan on 12 June 2015 amounting to £445,000. This loan accrues interest at 3% and interest accrued in the period totalled £10,590 (2017: £13,350). As at the balance sheet date the amount owed to the company by the director was £204,661 (2017: £423,692).

Dividends of £376,892 (2017: £216,517) were paid to directors during the period.

A director of the company has provided a personal guarantee in respect of the company's bank loans.

# ACCOUNTANT'S REPORT TO THE BOARD OF DIRECTORS OF MONMOUTH COFFEE COMPANY LIMITED ON THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 APRIL 2018

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In order to assist you to fulfil your duties under the Companies Act 2006 ("the Act"), we prepared for your approval the financial statements of Monmouth Coffee Company Limited which comprise the Statement of Financial Position and the related notes in accordance with the financial reporting framework set out therein from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of Monmouth Coffee Company Limited, as a body, in accordance with the terms of our engagement letter dated 8 May 2017. Our work has been undertaken solely to prepare for your approval the financial statements of Monmouth Coffee Company Limited and state those matters that we have agreed to state to them in accordance with ICAEW Technical Release 07/16 AAF. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights against RSM UK Tax and Accounting Limited for any purpose or in any context. Any party other than the Board of Directors which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Tax and Accounting Limited will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

It is your duty to ensure that Monmouth Coffee Company Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Monmouth Coffee Company Limited under the Act. You consider that Monmouth Coffee Company Limited is exempt from the statutory audit requirement for the period.

We have not been instructed to carry out an audit or a review of the financial statements of Monmouth Coffee Company Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

*Rsm UK Tax and Accounting Limited*

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*12 October 2018*